



QUARTERLY STATEMENT

AS OF JUNE 30, 2009  
OF THE CONDITION AND AFFAIRS OF THE

Fidelis SecureCare of Michigan Inc.

NAIC Group Code	3744	3744	NAIC Company Code	10769	Employer's ID Number	30-0312489
	(Current Period)	(Prior Period)				
Organized under the Laws of	Michigan			State of Domicile or Port of Entry	Michigan	
Country of Domicile	United States					
Licensed as business type:	Life, Accident & Health [ ]		Property/Casualty [ ]		Hospital, Medical & Dental Service or Indemnity [ ]	
	Dental Service Corporation [ ]		Vision Service Corporation [ ]		Health Maintenance Organization [ X ]	
	Other [ ]		Is HMO, Federally Qualified? Yes [ X ] No [ ]			
Incorporated/Organized	12/09/2004		Commenced Business		07/15/2005	
Statutory Home Office	38777 West Six Mile Road, Suite 207			Livonia, MI 48152		
	(Street and Number)			(City, State and Zip Code)		
Main Administrative Office	1700 East Golf Road, Suite 1115		Schaumburg, IL 60173		847-605-0501	
	(Street and Number)		(City or Town, State and Zip Code)		(Area Code) (Telephone Number)	
Mail Address	1700 East Golf Road, Suite 1115		Schaumburg, IL 60173			
	(Street and Number or P.O. Box)		(City or Town, State and Zip Code)			
Primary Location of Books and Records	1700 East Golf Road, Suite 1115		Schaumburg, IL 60173		847-592-9480	
	(Street and Number)		(City, State and Zip Code)		(Area Code) (Telephone Number)	
Internet Web Site Address	www.fidelissc.com					
Statutory Statement Contact	Dawn Marie Gilbert Ms			847-592-9480		
	(Name)			(Area Code) (Telephone Number) (Extension)		
	dawn.gilbert@fidelissc.com			847-517-1085		
	(E-Mail Address)			(Fax Number)		

OFFICERS

Name	Title	Name	Title
Catherine Joan Kiley Ms.	President	Samuel Randolph Willcoxon Mr.	Secretary
David William Goltz Mr.	Treasurer		

OTHER OFFICERS

DIRECTORS OR TRUSTEES

Samuel Randolph Willcoxon Mr.	David William Goltz Mr.	Jerome Wilborn Mr.
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State of .....Illinois.....  
County of .....Cook..... ss

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Catherine Joan Kiley Ms. President	Samuel Randolph Willcoxon Mr. Secretary	David William Goltz Mr. Treasurer
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Subscribed and sworn to before me this  
\_\_\_\_\_ day of \_\_\_\_\_,  
\_\_\_\_\_,

- a. Is this an original filing? Yes [ ] No [ ]
- b. If no,
1. State the amendment number \_\_\_\_\_
2. Date filed \_\_\_\_\_
3. Number of pages attached \_\_\_\_\_

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

ASSETS

	Current Statement Date			4 December 31 Prior Year Net Admitted Assets
	1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	
1. Bonds .....	1,082,179	24,428	1,057,751	1,053,637
2. Stocks:				
2.1 Preferred stocks .....			0	0
2.2 Common stocks .....			0	0
3. Mortgage loans on real estate:				
3.1 First liens .....			0	0
3.2 Other than first liens .....			0	0
4. Real estate:				
4.1 Properties occupied by the company (less \$ ..... encumbrances) .....			0	0
4.2 Properties held for the production of income (less \$ ..... encumbrances) .....			0	0
4.3 Properties held for sale (less \$ ..... encumbrances) .....			0	0
5. Cash (\$ .....6,232,521 ), cash equivalents (\$ .....0 ) and short-term investments (\$ .....102,366 ) .....	6,334,887		6,334,887	7,229,925
6. Contract loans (including \$ .....premium notes) .....			0	0
7. Other invested assets .....	0		0	0
8. Receivables for securities .....			0	0
9. Aggregate write-ins for invested assets .....	0	0	0	0
10. Subtotals, cash and invested assets (Lines 1 to 9) .....	7,417,066	24,428	7,392,638	8,283,562
11. Title plants less \$ .....charged off (for Title insurers only) .....			0	0
12. Investment income due and accrued .....	12,576		12,576	13,027
13. Premiums and considerations:				
13.1 Uncollected premiums and agents' balances in the course of collection .....	325,000		325,000	343,517
13.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including \$ .....earned but unbilled premiums) .....			0	0
13.3 Accrued retrospective premiums .....			0	0
14. Reinsurance:				
14.1 Amounts recoverable from reinsurers .....			0	0
14.2 Funds held by or deposited with reinsured companies .....			0	0
14.3 Other amounts receivable under reinsurance contracts .....			0	0
15. Amounts receivable relating to uninsured plans .....			0	0
16.1 Current federal and foreign income tax recoverable and interest thereon .....			0	0
16.2 Net deferred tax asset .....			0	0
17. Guaranty funds receivable or on deposit .....			0	0
18. Electronic data processing equipment and software .....			0	0
19. Furniture and equipment, including health care delivery assets (\$ ..... ) .....			0	0
20. Net adjustment in assets and liabilities due to foreign exchange rates .....			0	0
21. Receivables from parent, subsidiaries and affiliates .....	483		483	51,070
22. Health care (\$ ..... ) and other amounts receivable .....	147,369	147,369	0	0
23. Aggregate write-ins for other than invested assets .....	0	0	0	0
24. Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 10 to 23) .....	7,902,494	171,797	7,730,697	8,691,176
25. From Separate Accounts, Segregated Accounts and Protected Cell Accounts .....			0	0
26. Total (Lines 24 and 25) .....	7,902,494	171,797	7,730,697	8,691,176
DETAILS OF WRITE-INS				
0901. ....				
0902. ....				
0903. ....				
0998. Summary of remaining write-ins for Line 9 from overflow page .....	0	0	0	0
0999. Totals (Lines 0901 through 0903 plus 0998)(Line 9 above) .....	0	0	0	0
2301. ....				
2302. ....				
2303. ....				
2398. Summary of remaining write-ins for Line 23 from overflow page .....	0	0	0	0
2399. Totals (Lines 2301 through 2303 plus 2398)(Line 23 above) .....	0	0	0	0

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

LIABILITIES, CAPITAL AND SURPLUS

	Current Period			Prior Year
	1 Covered	2 Uncovered	3 Total	4 Total
1. Claims unpaid (less \$ ..... reinsurance ceded)	3,299,131		3,299,131	4,809,351
2. Accrued medical incentive pool and bonus amounts	217,441		217,441	191,427
3. Unpaid claims adjustment expenses	69,237		69,237	69,237
4. Aggregate health policy reserves			0	0
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserve			0	0
7. Aggregate health claim reserves			0	0
8. Premiums received in advance			0	0
9. General expenses due or accrued			0	0
10.1 Current federal and foreign income tax payable and interest thereon (including \$ ..... on realized gains (losses))			0	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittances and items not allocated			0	0
14. Borrowed money (including \$ ..... current) and interest thereon \$ ..... (including \$ ..... current)			0	0
15. Amounts due to parent, subsidiaries and affiliates	298,463		298,463	456,376
16. Payable for securities			0	0
17. Funds held under reinsurance treaties with (\$ ..... authorized reinsurers and \$ ..... unauthorized reinsurers)			0	0
18. Reinsurance in unauthorized companies			0	0
19. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
20. Liability for amounts held under uninsured plans			0	0
21. Aggregate write-ins for other liabilities (including \$ ..... current)	182,735	0	182,735	0
22. Total liabilities (Lines 1 to 21)	4,067,007	0	4,067,007	5,526,391
23. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
24. Common capital stock	XXX	XXX	1	1
25. Preferred capital stock	XXX	XXX		0
26. Gross paid in and contributed surplus	XXX	XXX	2,624,999	2,624,999
27. Surplus notes	XXX	XXX		0
28. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
29. Unassigned funds (surplus)	XXX	XXX	1,038,690	539,785
30. Less treasury stock, at cost:				
30.1 ..... shares common (value included in Line 24)				
\$ ..... )	XXX	XXX		0
30.2 ..... shares preferred (value included in Line 25)				
\$ ..... )	XXX	XXX		0
31. Total capital and surplus (Lines 23 to 29 minus Line 30)	XXX	XXX	3,663,690	3,164,785
32. Total liabilities, capital and surplus (Lines 22 and 31)	XXX	XXX	7,730,697	8,691,176
DETAILS OF WRITE-INS				
2101. Due to CMS - Retro Disenrollments	182,735		182,735	0
2102.				
2103.				
2198. Summary of remaining write-ins for Line 21 from overflow page	0	0	0	0
2199. Totals (Lines 2101 thru 2103 plus 2198) (Line 21 above)	182,735	0	182,735	0
2301.	XXX	XXX		
2302.	XXX	XXX		
2303.	XXX	XXX		
2398. Summary of remaining write-ins for Line 23 from overflow page	XXX	XXX	0	0
2399. Totals (Lines 2301 thru 2303 plus 2398) (Line 23 above)	XXX	XXX	0	0
2801.	XXX	XXX		
2802.	XXX	XXX		
2803.	XXX	XXX		
2898. Summary of remaining write-ins for Line 28 from overflow page	XXX	XXX	0	0
2899. Totals (Lines 2801 thru 2803 plus 2898) (Line 28 above)	XXX	XXX	0	0

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

STATEMENT OF REVENUE AND EXPENSES

	Current Year To Date		Prior Year To Date	Prior Year Ended December 31
	1 Uncovered	2 Total	3 Total	4 Total
1. Member Months.....	XXX	4,793	6,740	13,564
2. Net premium income (including \$ ..... non-health premium income).....	XXX	9,413,027	13,162,199	25,913,760
3. Change in unearned premium reserves and reserve for rate credits .....	XXX		0	0
4. Fee-for-service (net of \$ ..... medical expenses).....	XXX		0	0
5. Risk revenue .....	XXX		0	0
6. Aggregate write-ins for other health care related revenues .....	XXX	0	0	0
7. Aggregate write-ins for other non-health revenues .....	XXX	0	0	0
8. Total revenues (Lines 2 to 7) .....	XXX	9,413,027	13,162,199	25,913,760
<b>Hospital and Medical:</b>				
9. Hospital/medical benefits .....		3,738,514	7,298,221	13,353,143
10. Other professional services .....		1,009,944	2,172,537	4,305,601
11. Outside referrals .....			0	0
12. Emergency room and out-of-area .....		45,782	63,532	147,321
13. Prescription drugs .....		2,168,585	2,532,418	5,300,339
14. Aggregate write-ins for other hospital and medical.....	0	0	0	0
15. Incentive pool, withhold adjustments and bonus amounts.....		329,937	240,467	528,660
16. Subtotal (Lines 9 to 15) .....	0	7,292,762	12,307,175	23,635,064
<b>Less:</b>				
17. Net reinsurance recoveries .....			0	0
18. Total hospital and medical (Lines 16 minus 17) .....	0	7,292,762	12,307,175	23,635,064
19. Non-health claims (net).....			0	0
20. Claims adjustment expenses, including \$ ..... cost containment expenses.....		331,942	15,500	453,491
21. General administrative expenses.....		995,825	824,155	1,360,471
22. Increase in reserves for life and accident and health contracts including \$ ..... increase in reserves for life only).....			0	0
23. Total underwriting deductions (Lines 18 through 22) .....	0	8,620,529	13,146,830	25,449,026
24. Net underwriting gain or (loss) (Lines 8 minus 23) .....	XXX	792,498	15,369	464,734
25. Net investment income earned .....		31,634	67,223	117,916
26. Net realized capital gains (losses) less capital gains tax of \$.....			0	0
27. Net investment gains (losses) (Lines 25 plus 26) .....	0	31,634	67,223	117,916
28. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$ ..... ) (amount charged off \$ ..... ).....			0	0
29. Aggregate write-ins for other income or expenses .....	0	0	0	0
30. Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29) .....	XXX	824,132	82,592	582,650
31. Federal and foreign income taxes incurred .....	XXX	280,204	23,027	198,101
32. Net income (loss) (Lines 30 minus 31) .....	XXX	543,928	59,565	384,549
<b>DETAILS OF WRITE-INS</b>				
0601. ....	XXX			
0602. ....	XXX			
0603. ....	XXX			
0698. Summary of remaining write-ins for Line 6 from overflow page .....	XXX	0	0	0
0699. Totals (Lines 0601 through 0603 plus 0698) (Line 6 above) .....	XXX	0	0	0
0701. ....	XXX			
0702. ....	XXX			
0703. ....	XXX			
0798. Summary of remaining write-ins for Line 7 from overflow page .....	XXX	0	0	0
0799. Totals (Lines 0701 through 0703 plus 0798) (Line 7 above) .....	XXX	0	0	0
1401. ....				
1402. ....				
1403. ....				
1498. Summary of remaining write-ins for Line 14 from overflow page .....	0	0	0	0
1499. Totals (Lines 1401 through 1403 plus 1498) (Line 14 above) .....	0	0	0	0
2901. ....				
2902. ....				
2903. ....				
2998. Summary of remaining write-ins for Line 29 from overflow page .....	0	0	0	0
2999. Totals (Lines 2901 through 2903 plus 2998) (Line 29 above) .....	0	0	0	0

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

STATEMENT OF REVENUE AND EXPENSES (Continued)

	1 Current Year to Date	2 Prior Year to Date	3 Prior Year
CAPITAL AND SURPLUS ACCOUNT:			
33. Capital and surplus prior reporting year.....	3,164,786	1,718,201	1,718,201
34. Net income or (loss) from Line 32 .....	543,928	59,565	384,549
35. Change in valuation basis of aggregate policy and claim reserves .....		0	0
36. Change in net unrealized capital gains (losses) less capital gains tax of \$ .....		0	0
37. Change in net unrealized foreign exchange capital gain or (loss) .....		0	0
38. Change in net deferred income tax .....		0	0
39. Change in nonadmitted assets .....	(45,024)	(21,500)	37,036
40. Change in unauthorized reinsurance .....	0	0	0
41. Change in treasury stock .....		0	0
42. Change in surplus notes .....	0	0	0
43. Cumulative effect of changes in accounting principles .....		0	0
44. Capital Changes:			
44.1 Paid in .....		0	0
44.2 Transferred from surplus (Stock Dividend) .....		0	0
44.3 Transferred to surplus .....		0	0
45. Surplus adjustments:			
45.1 Paid in .....		725,000	1,025,000
45.2 Transferred to capital (Stock Dividend) .....	0	0	0
45.3 Transferred from capital .....		0	0
46. Dividends to stockholders .....		0	0
47. Aggregate write-ins for gains or (losses) in surplus .....	0	0	0
48. Net change in capital & surplus (Lines 34 to 47) .....	498,904	763,065	1,446,585
49. Capital and surplus end of reporting period (Line 33 plus 48)	3,663,690	2,481,266	3,164,786
DETAILS OF WRITE-INS			
4701. ....			
4702. ....			
4703. ....			
4798. Summary of remaining write-ins for Line 47 from overflow page .....	0	0	0
4799. Totals (Lines 4701 through 4703 plus 4798) (Line 47 above)	0	0	0

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

CASH FLOW

	1 Current Year To Date	2 Prior Year Ended December 31
<b>Cash from Operations</b>		
1. Premiums collected net of reinsurance.....	9,431,544	25,570,243
2. Net investment income .....	32,085	132,043
3. Miscellaneous income .....	0	0
4. Total (Lines 1 to 3) .....	9,463,629	25,702,286
5. Benefit and loss related payments .....	8,776,968	22,816,225
6. Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts.....		0
7. Commissions, expenses paid and aggregate write-ins for deductions .....	1,194,169	2,288,766
8. Dividends paid to policyholders .....		0
9. Federal and foreign income taxes paid (recovered) net of \$ ..... tax on capital gains (losses)	280,204	198,101
10. Total (Lines 5 through 9) .....	10,251,341	25,303,092
11. Net cash from operations (Line 4 minus Line 10) .....	(787,712)	399,194
<b>Cash from Investments</b>		
12. Proceeds from investments sold, matured or repaid:		
12.1 Bonds .....	0	0
12.2 Stocks .....	0	0
12.3 Mortgage loans .....	0	0
12.4 Real estate .....	0	0
12.5 Other invested assets .....	0	0
12.6 Net gains or (losses) on cash, cash equivalents and short-term investments .....	0	0
12.7 Miscellaneous proceeds .....	0	0
12.8 Total investment proceeds (Lines 12.1 to 12.7) .....	0	0
13. Cost of investments acquired (long-term only):		
13.1 Bonds .....	0	0
13.2 Stocks .....	0	0
13.3 Mortgage loans .....	0	0
13.4 Real estate .....	0	0
13.5 Other invested assets .....	0	0
13.6 Miscellaneous applications .....	0	0
13.7 Total investments acquired (Lines 13.1 to 13.6) .....	0	0
14. Net increase (or decrease) in contract loans and premium notes .....	0	0
15. Net cash from investments (Line 12.8 minus Line 13.7 and Line 14) .....	0	0
<b>Cash from Financing and Miscellaneous Sources</b>		
16. Cash provided (applied):		
16.1 Surplus notes, capital notes .....	0	0
16.2 Capital and paid in surplus, less treasury stock.....	0	1,025,000
16.3 Borrowed funds .....	0	0
16.4 Net deposits on deposit-type contracts and other insurance liabilities .....		0
16.5 Dividends to stockholders .....	0	0
16.6 Other cash provided (applied).....	(107,326)	256,630
17. Net cash from financing and miscellaneous sources (Line 16.1 through Line 16.4 minus Line 16.5 plus Line 16.6) .....	(107,326)	1,281,630
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS</b>		
18. Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17) .....	(895,038)	1,680,824
19. Cash, cash equivalents and short-term investments:		
19.1 Beginning of year.....	7,229,925	5,549,101
19.2 End of period (Line 18 plus Line 19.1)	6,334,887	7,229,925

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

EXHIBIT OF PREMIUMS, ENROLLMENT AND UTILIZATION										
	1  Total	Comprehensive (Hospital & Medical)		4  Medicare Supplement	5  Vision Only	6  Dental Only	7  Federal Employees Health Benefit Plan	8  Title XVIII Medicare	9  Title XIX Medicaid	10  Other
		2  Individual	3  Group							
Total Members at end of:										
1. Prior Year .....	1,141	.0	.0	.0	.0	.0	.0	1,141	.0	.0
2 First Quarter .....	.771	.0	.0	.0	.0	.0	.0	.771	.0	.0
3 Second Quarter .....	.764							.764		
4. Third Quarter .....	.0									
5. Current Year	.0									
6 Current Year Member Months	4,793							4,793		
Total Member Ambulatory Encounters for Period:										
7. Physician .....	.0									
8. Non-Physician .....	.0									
9. Total	.0	.0	.0	.0	.0	.0	.0	.0	.0	.0
10. Hospital Patient Days Incurred	.837							.837		
11. Number of Inpatient Admissions	.122							.122		
12. Health Premiums Written .....	9,413,027							9,413,027		
13. Life Premiums Direct .....	.0									
14. Property/Casualty Premiums Written .....	.0									
15. Health Premiums Earned .....	9,413,027							9,413,027		
16. Property/Casualty Premiums Earned .....	.0									
17. Amount Paid for Provision of Health Care Services .....	8,776,968							8,776,968		
18. Amount Incurred for Provision of Health Care Services	7,292,762							7,292,762		

(a) For health premiums written: amount of Medicare Title XVIII exempt from state taxes or fees \$ .....

## CLAIMS UNPAID AND INCENTIVE POOL, WITHHOLD AND BONUS (Reported and Unreported)

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STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

UNDERWRITING AND INVESTMENT EXHIBIT  
ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

Line of Business	Claims Paid Year to Date		Liability End of Current Quarter		5  Claims Incurred in Prior Years (Columns 1 + 3)	6  Estimated Claim Reserve and Claim Liability Dec. 31 of Prior Year
	1  On Claims Incurred Prior to January 1 of Current Year	2  On Claims Incurred During the Year	3  On Claims Unpaid Dec. 31 of Prior Year	4  On Claims Incurred During the Year		
1. Comprehensive (hospital & medical) .....					.0	.0
2. Medicare Supplement .....					.0	.0
3. Dental Only .....					.0	.0
4. Vision Only .....					.0	.0
5. Federal Employees Health Benefits Plan .....					.0	.0
6. Title XVIII - Medicare .....	3,795,242	4,677,803	427,945	2,871,186	4,223,187	4,809,351
7. Title XIX - Medicaid .....					.0	.0
8. Other Health .....					.0	.0
9. Health Subtotal (Lines 1 to 8).....	3,795,242	4,677,803	427,945	2,871,186	4,223,187	4,809,351
10. Healthcare receivables (a) .....					.0	.0
11. Other non-health .....					.0	.0
12. Medical incentive pools and bonus amounts .....	70,291	233,632	0	217,441	70,291	191,427
13. Totals	3,865,533	4,911,435	427,945	3,088,627	4,293,478	5,000,778

(a) Excludes \$ ..... loans and advances to providers not yet expensed.

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Accounting Practices

The financial statements of Fidelis SecureCare of Michigan Inc. are presented on the basis of accounting practices prescribed or permitted by the State of Michigan Department of Insurance.

Fidelis SecureCare of Michigan Inc is licensed and domiciled as a Health Maintenance Organization in the State of Michigan. The company is authorized to write Medicare business as a Medicare Advantage plan. The State of Michigan Department of Insurance recognizes only statutory accounting practices prescribed or permitted by the State of Michigan for determining and reporting the financial condition and results of operations of a Health Maintenance Organization, for determining its solvency under the Michigan Insurance Law. The National Association of Insurance Commissioners’ (NAIC) *Accounting Practices and Procedures Manual*, (NAIC SAP) has been adopted as a component of prescribed or permitted practices by the state of Michigan. In NAIC SAP, some assets, such as prepaid expenses are not admitted. The Commissioner of Insurance has the right to permit other specific practices that deviate from prescribed practices.

**Cash and Cash Equivalents** – Cash and cash equivalents include highly liquid investments that are both readily convertible to known amounts of cash, and so near to their maturity that they present insignificant risk of changes in value because of changes in interest rates. Cash also includes savings accounts, and certificates of deposits with original maturities of three months or less. Cash equivalents are short-term investments that include investment with remaining maturities of greater than 90 days but less than one year at the time of acquisition.

**Short Term Investments** – Short term investments include investments with remaining maturities of one year or less at the time of acquisition.

**Bonds** – Investments in bonds are carried at amortized cost. The fair value below is based upon market values provided by an external investment value provider. The amortized cost and estimated fair value of bonds as of June 30, 2009 are as follows:

	<u>Amortized Cost</u>	<u>Unrealized Gain(Loss)</u>	<u>Fair Value</u>
U.S. Gov’t. obligations	<u>\$1,057,751</u>	<u>\$24,428</u>	<u>\$1,082,179</u>

The statutory carrying value and the fair value of the bonds at June 30, 2009, by stated maturity, are shown below. These bonds are held in trust as required to be deposited in restricted accounts for member’s protection pursuant to federal and state regulatory requirements.

	<u>Amortized Cost</u>	<u>Unrealized Gain(Loss)</u>	<u>Fair Value</u>
Due in One Year or less	<u>\$1,057,751</u>	<u>\$24,428</u>	<u>\$1,082,179</u>
Due in one through five yrs	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Due in over five years	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

In December 2003, the Emerging Issues Task Force (“EITF”) issued EITF 03-1, The Meaning of Other-Than-Temporary Impairment and Its Application to Certain Investments. EITF 03-1 specifies certain quantitative and qualitative disclosures for debt and marketable equity securities classified as available for sale or held-to maturity and where costs exceeds market value at the balance sheet date but for which an other-than-temporary impairment has not been recognized. As of June 30, 2009 the fair value of securities, \$1,082,179 exceeded its book value (amortized cost) by \$24,428 for US governments due to mature in less than one year from balance sheet date. The book value (amortized cost) of these instruments as of June 30, 2008 is \$1,057,751.

B. Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with Statutory Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities. It also requires disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from those estimates.

C. Accounting Policy

Health premiums are earned monthly over the terms of the related insurance contracts or policies. Expenses incurred in connection with acquiring new insurance business, including acquisition costs such as sales commissions, are charged to operations as incurred.

The amount of dividends to be paid to policyholders is determined annually by the Company’s Board of Directors. The aggregate amount of policyholders’ dividends is related to actual interest, mortality, morbidity, and expense experience for the year and judgment as to the appropriate level of statutory surplus to be retained by the Company.

In addition, the company uses the following accounting policies:

**STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.**

**NOTES TO FINANCIAL STATEMENTS**

- (1) Short-term investments are stated at amortized cost.
- (2) Common Stocks at market except that investments in stocks of uncombined subsidiaries and affiliates in which the Company has an interest of 10 % or more (per SSAP 88) are carried on the equity basis. Bonds not backed by other loans are stated at amortized cost using the constant yield interest method.
- (3) The Company anticipates investment income as a factor in the premium deficiency calculation,.
- (4) Unpaid losses and loss adjustment expenses include an amount determined from individual case estimates and loss reports and an amount, based on past experience, for losses incurred but not reported. Such liabilities are necessarily based on assumptions and estimates and while management believes the amount is adequate, the ultimate liability may be in excess of or less than the amount provided. The methods for making such estimates and for establishing the resulting liability are continually reviewed and any adjustments are reflected in the period determined.
- (5) The Company has not modified its capitalization policy from the prior period.

2. Accounting Changes and Corrections of Errors

Not Applicable

3. Business Combinations and Goodwill

Not Applicable

4. Discontinued Operations

Not Applicable

5. Investments

See Note 1

6. Joint Ventures, Partnerships and Limited Liability Companies

The Company has no investments in Joint Ventures, Partnerships or Limited Liability Companies.

7. Investment Income

Investment income includes interest and dividend income due and unpaid on bonds and short term investments. All amounts have been admitted at 6/30/2009.

8. Derivative Instruments

Not applicable

9. Income Taxes

Fidelis SecureCare of Michigan Inc files consolidated Federal Tax returns with its parent, Fidelis SenioreCare Inc. Two affiliated companies, Fidelis SecureCare of North Carolina Inc and Fidelis SecureCare of Texas Inc also file in that consolidated tax return. Subsidiary federal tax liability shall be paid to the parent company and filed as part of a consolidated federal tax return. In accordance with the tax sharing agreement with the Parent, the group's consolidated federal tax liability shall be apportioned for purposes of computing earnings and profits in accordance with the method provided in Section 1552(a)(1) of the Code and Regulations Section 1.1552-1(a)(1). The group's unitary tax liability shall be apportioned for tax purposes in accordance with the requirements of applicable state law, or, if none, as reasonably determined by the Parent.

- A. There is no admitted Deferred Tax Asset as of June 30, 2009.
- B. There are no deferred tax liabilities reported as of June 30, 2009.
- C. Current income taxes incurred consist of the following components:

Total provision for incurred Federal tax expense as of 06/30/2009 is \$280,205.

10. Information Concerning Parent, Subsidiaries and Affiliates

- A. The Company paid no dividends to the Parent Company through June 30, 2009.
- B. At June 30, 2009, Fidelis SecureCare of Michigan reported \$483 as amounts due from the Parent Company, Fidelis SeniorCare Inc and \$0 as amounts due to Fidelis Healthcare Services. These amounts due from the parent

**STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.**

**NOTES TO FINANCIAL STATEMENTS**

relate to the settlement in accordance with the administrative services agreement between the Parent and the Company. The parent entity, Fidelis SeniorCare Inc. provides administrative services to the health plan, Fidelis SecureCare of Michigan Inc.

As of June 30, 2009, the Company has \$262,300 and \$36,163 due to the Parent and Fidelis HealthCare Services Inc respectively. Amounts due to the Parent are related to tax payable in accordance with the Company's tax sharing agreement with the Parent. Amounts due to Fidelis Healthcare Services are related to services provided under the Provider Network Agreement. Fidelis SecureCare of Michigan settles all intercompany transactions within 45 days of the end of fiscal periods.

- C All outstanding shares of Fidelis SecureCare of Michigan are owned by the Parent Company, Fidelis SeniorCare Inc, an insurance holding company domiciled in the State of Delaware.

11. Debt

Not applicable

12. Retirement Plans, Deferred Compensation, Postemployment Benefits and Compensated Absences and Other Postretirement Benefit Plans

Not applicable

13. Capital and Surplus, Shareholders' Dividend Restrictions and Quasi-Reorganizations

- (1) The Company has 100 shares authorized (.01 par), 100 shares issued and 100 shares outstanding. All shares are Common shares.
- (2) The Company has no preferred stock outstanding.
- (3) All shareholder dividends are paid out of Earned Surplus.
- (4) No extraordinary dividends or other extraordinary distributions to its shareholder until 30 days after the commissioner has received notice of the declaration thereof and has not within such period disapproved such payment within such thirty day period. For purposes of this section, an extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding twelve months exceeds the greater of ten percent of such insurer's surplus as regards policyholders as of December 30 next preceding, or the net gain from operations of such insurer, not including realized capital gains, for the twelve-month period ending December 30. Any other provision of law to the contrary notwithstanding, an insurer may declare an extraordinary dividend or distribution which is conditional upon the commissioner's approval thereof, and such a declaration confers no rights upon shareholders until the commissioner has approved the payment of such dividend or distribution or the commissioner has not disapproved such payment within the thirty-day period
- (5) There were no restrictions placed on the Company's surplus, including for whom the surplus is being held.
- (6) The total amount of advances to surplus not repaid is \$0.

14. Contingencies

Not applicable

15. Leases

A. Lessee Operating Lease

- (1) There is no commitment for the Company.
- (2) The company is not involved in any material sales – leaseback transactions.

16. Information about Financial Instruments With Off-Balance Sheet Risk and Financial Instruments With Concentrations of Credit Risk

Not applicable

17. Sale, Transfer and Servicing of Financial Assets and Extinguishments of Liabilities

Not applicable

18. Gain or Loss to the Reporting Entity from Uninsured Plans and the Uninsured Portion of Partially Insured Plans

Not applicable

**STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.**

**NOTES TO FINANCIAL STATEMENTS**

19. Direct Premium Written/Produced by Managing General Agents/Third Party Administrators

Not applicable

20. Other Items

- A. Other Disclosures

Assets with a market value of \$1,184,545 at June 30, 2009, were on deposit with JP Morgan as custodian in compliance with the Michigan Department of Insurance requirements. This consisted of a Treasury Notes, with an amortized cost of \$1,057,751 and a market value of \$1,082,179 and \$102,366 in JP Morgan Federal Money Market.

21. Events Subsequent

Not Applicable.

22. Reinsurance

- A. Ceded Reinsurance Report

Section 1 – General Interrogatories

- (1) Are any of the reinsurers, listed in Schedule S as non-affiliated, owned in excess of 10% or controlled, either directly or indirectly, by the company or by any representative, officer, trustee, or director of the company?

Yes ( ) No ( X )

If yes, give full details.

- (2) Have any policies issued by the company been reinsured with a company chartered in a country other than the United States (excluding U.S. Branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor or an insured or any other person not primarily engaged in the insurance business?

Yes ( ) No ( X )

If yes, give full details.

Section 2 – Ceded Reinsurance Report – Part A

- (1) Does the company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( ) No ( X )

- a. If yes, what is the estimated amount of the aggregate reduction in surplus of a unilateral cancellation by the reinsurer as of the date of this statement, for those agreements in which cancellation results in a net obligation of the reporting entity to the reinsurer, and for which such obligation is not presently accrued? Where necessary, the reporting entity may consider the current or anticipated experience of the business reinsured in making this estimate \$\_\_\_\_\_.

- b. What is the total amount of reinsurance credits taken, whether as an asset or as a reduction of liability for these agreements in this statement? \$\_\_\_\_\_.

- (2) Does the reporting entity have any reinsurance agreements in effect such that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No ( X )

If yes, give full details.

Section 3 – Ceded Reinsurance Report – Part B

- (1) What is the estimated amount of the aggregate reduction in surplus, (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of payment or other similar credits that are reflected in Section 2 above) of termination of ALL reinsurance agreements, by

NOTES TO FINANCIAL STATEMENTS

either party, as of the date of this statement? Where necessary, the company may consider the current or anticipated experience of the business reinsured in making this estimate. \$ 0

- (2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the company as of the effective date of the agreement?

Yes ( ) No ( X )

If yes, what is the amount of reinsurance credits, whether an asset or a reduction of liability, taken for such new agreements or amendments? \$

-

B. Uncollectible Reinsurance

The Company has written off in the current year reinsurance balances due (from the companies listed below) in the amount of: \$ 0, which is reflected as:

- |     |                                   |      |
|-----|-----------------------------------|------|
| (1) | Losses incurred                   | \$ 0 |
| (2) | Loss adjustment expenses incurred | \$ 0 |
| (3) | Premiums earned                   | \$ 0 |
| (4) | Other                             | \$ 0 |

C. Commutation of Ceded Reinsurance

The Company has reported \$0 in its operations in the current year as a result of commutation of reinsurance.

23. Retrospectively Rated Contracts & Contracts Subject to Redetermination

Not applicable

24. Change in Incurred Claims and Claim Adjustment Expenses

Not applicable

25. Intercompany Pooling Arrangements

Not applicable

26. Structured Settlements

Not applicable.

27. Health Care Receivables

Not applicable.

28. Participating Policies

The Company paid dividends in the amount of \$0 to policyholders and did not allocate any additional income to such policyholders.

29. Premium Deficiency Reserves

As of June 30, 2009 the Company had liabilities of \$0 related to premium deficiency reserves. The Company does consider anticipated investment income when calculating its premium deficiency reserves.

30. Anticipated Salvage and Subrogation

Not applicable

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

(Responses to these interrogatories should be based on changes that have occurred since the prior year end unless otherwise noted.)

PART 1 - COMMON INTERROGATORIES  
GENERAL

- 1.1

Did the reporting entity experience any material transactions requiring the filing of Disclosure of Material Transactions with the State of Domicile, as required by the Model Act?

Yes ☐ No ☒
- 1.2

If yes, has the report been filed with the domiciliary state?

Yes ☐ No ☐
- 2.1

Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity?

Yes ☐ No ☒
- 2.2

If yes, date of change:
3.

Have there been any substantial changes in the organizational chart since the prior quarter end?

Yes ☐ No ☒

If yes, complete the Schedule Y - Part 1 - organizational chart.
- 4.1

Has the reporting entity been a party to a merger or consolidation during the period covered by this statement?

Yes ☐ No ☒
- 4.2

If yes, provide the name of entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1	2	3
Name of Entity	NAIC Company Code	State of Domicile

5.

If the reporting entity is subject to a management agreement, including third-party administrator(s), managing general agent(s), attorney-in-fact, or similar agreement, have there been any significant changes regarding the terms of the agreement or principals involved?

Yes ☐ No ☒ NA ☐

If yes, attach an explanation.
- 6.1

State as of what date the latest financial examination of the reporting entity was made or is being made.

12/31/2006
- 6.2

State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released.

12/31/2006
- 6.3

State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date).

05/11/2008
- 6.4

By what department or departments?

Michigan Office of Financial & Insurance Services
- 6.5

Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments?

Yes ☐ No ☐ NA ☒
- 6.6

Have all of the recommendations within the latest financial examination report been complied with?

Yes ☒ No ☐ NA ☐
- 7.1

Has this reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period?

Yes ☐ No ☒
- 7.2

If yes, give full information:
- 8.1

Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board?

Yes ☐ No ☒
- 8.2

If response to 8.1 is yes, please identify the name of the bank holding company.
- 8.3

Is the company affiliated with one or more banks, thrifts or securities firms?

Yes ☐ No ☒
- 8.4

If response to 8.3 is yes, please provide below the names and location (city and state of the main office) of any affiliates regulated by a federal regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.]

1	2	3	4	5	6	7
Affiliate Name	Location (City, State)	FRB	OCC	OTS	FDIC	SEC

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

- 9.1

Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards?.....

Yes [X] No [ ]
- (a)

Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- (b)

Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
- (c)

Compliance with applicable governmental laws, rules and regulations;
- (d)

The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
- (e)

Accountability for adherence to the code.
- 9.11

If the response to 9.1 is No, please explain:

.....
- 9.2

Has the code of ethics for senior managers been amended?.....

Yes [ ] No [X]
- 9.21

If the response to 9.2 is Yes, provide information related to amendment(s).

.....
- 9.3

Have any provisions of the code of ethics been waived for any of the specified officers?.....

Yes [ ] No [X]
- 9.31

If the response to 9.3 is Yes, provide the nature of any waiver(s).

.....

FINANCIAL

- 10.1

Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement?.....

Yes [X] No [ ]
- 10.2

If yes, indicate any amounts receivable from parent included in the Page 2 amount:.....\$ .....

483

INVESTMENT

- 11.1

Were any of the stocks, bonds, or other assets of the reporting entity loaned, placed under option agreement, or otherwise made available for use by another person? (Exclude securities under securities lending agreements.) .....

Yes [ ] No [X]
- 11.2

If yes, give full and complete information relating thereto:

.....
12.

Amount of real estate and mortgages held in other invested assets in Schedule BA: .....

\$ .....
13.

Amount of real estate and mortgages held in short-term investments: .....

\$ .....
- 14.1

Does the reporting entity have any investments in parent, subsidiaries and affiliates? .....

Yes [ ] No [X]
- 14.2

If yes, please complete the following:

	1	2
	Prior Year-End Book/Adjusted Carrying Value	Current Quarter Book/Adjusted Carrying Value
14.21 Bonds .....	\$ .....	\$ .....
14.22 Preferred Stock .....	\$ .....	\$ .....
14.23 Common Stock .....	\$ .....	\$ .....
14.24 Short-Term Investments .....	\$ .....	\$ .....
14.25 Mortgage Loans on Real Estate .....	\$ .....	\$ .....
14.26 All Other .....	\$ .....	\$ .....
14.27 Total Investment in Parent, Subsidiaries and Affiliates (Subtotal Lines 14.21 to 14.26).....	\$ .....0	\$ .....0
14.28 Total Investment in Parent included in Lines 14.21 to 14.26 above ....	\$ .....	\$ .....
- 15.1

Has the reporting entity entered into any hedging transactions reported on Schedule DB? .....

Yes [ ] No [X]
- 15.2

If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? .....

Yes [ ] No [ ]

If no, attach a description with this statement.



STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

GENERAL INTERROGATORIES

16. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 3, III Conducting Examinations, F - Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook?.....

Yes [X] No [ ]

16.1 For all agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian Address
JP Morgan Chase.....	Chase Manhattan Plaza, New York NY 10005-1489.....

16.2 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

16.3 Have there been any changes, including name changes, in the custodian(s) identified in 16.1 during the current quarter? .....

Yes [ ] No [X]

16.4 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

16.5 Identify all investment advisors, brokers/dealers or individuals acting on behalf of broker/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository	2 Name(s)	3 Address

17.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? .....

Yes [X] No [ ]

17.2 If no, list exceptions:

.....

## SCHEDULE S - CEDED REINSURANCE

[illegible]

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

SCHEDULE T - PREMIUMS AND OTHER CONSIDERATIONS

Current Year to Date - Allocated by States and Territories									
States, Etc.	1	Direct Business Only							
		2	3	4	5	6	7	8	9
	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefit Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1. Alabama .....	AL	N						.0	
2. Alaska .....	AK	N						.0	
3. Arizona .....	AZ	N						.0	
4. Arkansas .....	AR	N						.0	
5. California .....	CA	N						.0	
6. Colorado .....	CO	N						.0	
7. Connecticut .....	CT	N						.0	
8. Delaware .....	DE	N						.0	
9. District of Columbia .....	DC	N						.0	
10. Florida .....	FL	N						.0	
11. Georgia .....	GA	N						.0	
12. Hawaii .....	HI	N						.0	
13. Idaho .....	ID	N						.0	
14. Illinois .....	IL	N						.0	
15. Indiana .....	IN	N						.0	
16. Iowa .....	IA	N						.0	
17. Kansas .....	KS	N						.0	
18. Kentucky .....	KY	N						.0	
19. Louisiana .....	LA	N						.0	
20. Maine .....	ME	N						.0	
21. Maryland .....	MD	N						.0	
22. Massachusetts .....	MA	N						.0	
23. Michigan .....	MI	L	9,413,027					9,413,027	
24. Minnesota .....	MN	N						.0	
25. Mississippi .....	MS	N						.0	
26. Missouri .....	MO	N						.0	
27. Montana .....	MT	N						.0	
28. Nebraska .....	NE	N						.0	
29. Nevada .....	NV	N						.0	
30. New Hampshire .....	NH	N						.0	
31. New Jersey .....	NJ	N						.0	
32. New Mexico .....	NM	N						.0	
33. New York .....	NY	N						.0	
34. North Carolina .....	NC	N						.0	
35. North Dakota .....	ND	N						.0	
36. Ohio .....	OH	N						.0	
37. Oklahoma .....	OK	N						.0	
38. Oregon .....	OR	N						.0	
39. Pennsylvania .....	PA	N						.0	
40. Rhode Island .....	RI	N						.0	
41. South Carolina .....	SC	N						.0	
42. South Dakota .....	SD	N						.0	
43. Tennessee .....	TN	N						.0	
44. Texas .....	TX	N						.0	
45. Utah .....	UT	N						.0	
46. Vermont .....	VT	N						.0	
47. Virginia .....	VA	N						.0	
48. Washington .....	WA	N						.0	
49. West Virginia .....	WV	N						.0	
50. Wisconsin .....	WI	N						.0	
51. Wyoming .....	WY	N						.0	
52. American Samoa .....	AS	N						.0	
53. Guam .....	GU	N						.0	
54. Puerto Rico .....	PR	N						.0	
55. U.S. Virgin Islands .....	VI	N						.0	
56. Northern Mariana Islands .....	MP	N						.0	
57. Canada .....	CN	N						.0	
58. Aggregate Other Alien .....	OT	XXX	.0	.0	.0	.0	.0	.0	.0
59. Subtotal .....	XXX	.0	9,413,027	.0	.0	.0	.0	9,413,027	.0
60. Reporting entity contributions for Employee Benefit Plans .....	XXX							.0	
61. Total (Direct Business)	(a) 1	0	9,413,027	0	0	0	0	9,413,027	0
DETAILS OF WRITE-INS									
5801. ....	XXX								
5802. ....	XXX								
5803. ....	XXX								
5898. Summary of remaining write-ins for Line 58 from overflow page .....	XXX	.0	.0	.0	.0	.0	.0	.0	.0
5899. Totals (Lines 5801 through 5803 plus 5898) (Line 58 above) .....	XXX	0	0	0	0	0	0	0	0

(a) Insert the number of L responses except for Canada and other Alien.

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP  
PART 1 - ORGANIZATIONAL CHART

				Fidelis SeniorCare Inc. Group Code 3744									
Fidelis SecureCare of North Carolina Inc Company Code 12288				Fidelis SecureCare of Michigan Inc Company Code 10769				Fidelis SecureCare of Texas Inc Company Code 12597			Fidelis HealthCare Services		

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

SUPPLEMENTAL EXHIBITS AND SCHEDULES INTERROGATORIES

The following supplemental reports are required to be filed as part of your statement filing. However, in the event that your company does not transact the type of business for which the special report must be filed, your response of **NO** to the specific interrogatory will be accepted in lieu of filing a "NONE" report and a bar code will be printed below. If the supplemental is required of your company but is not being filed for whatever reason enter **SEE EXPLANATION** and provide an explanation following the interrogatory questions.

RESPONSE

1. Will the Medicare Part D Coverage Statement be filed with the state of domicile and the NAIC with this statement?

.....SEE EXPLANATION.....

Explanation:

1.Medicare Advantage Plans are not required to file this supplement.

Bar Code:

---

**OVERFLOW PAGE FOR WRITE-INS**

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STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

SCHEDULE A - VERIFICATION

Real Estate

	1	2
	Year to Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Current year change in encumbrances		0
4. Total gain (loss) on disposals		0
5. Deduct amounts received on disposals		0
6. Total foreign exchange change in book/adjusted carrying value		0
7. Deduct current year's other than temporary impairment recognized		0
8. Deduct current year's depreciation		0
9. Book/adjusted carrying value at the end of current period (Lines 1+2+3+4-5+6-7-8)	0	0
10. Deduct total nonadmitted amounts	0	0
11. Statement value at end of current period (Line 9 minus Line 10)	0	0

SCHEDULE B – VERIFICATION

Mortgage Loans

	1	2
	Year to Date	Prior Year Ended December 31
1. Book value/recorded investment excluding accrued interest December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and mortgage interest points and commitment fees		0
9. Total foreign exchange change in book value/recorded investment excluding accrued interest		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book value/recorded investment excluding accrued interest at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Total valuation allowance		0
13. Subtotal (Line 11 plus Line 12)	0	0
14. Deduct total nonadmitted amounts	0	0
15. Statement value at end of current period (Line 13 minus Line 14)	0	0

SCHEDULE BA – VERIFICATION

Other Long-Term Invested Assets

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year	0	0
2. Cost of acquired:		
2.1 Actual cost at time of acquisition		0
2.2 Additional investment made after acquisition		0
3. Capitalized deferred interest and other		0
4. Accrual of discount		0
5. Unrealized valuation increase (decrease)		0
6. Total gain (loss) on disposals		0
7. Deduct amounts received on disposals		0
8. Deduct amortization of premium and depreciation		0
9. Total foreign exchange change in book/adjusted carrying value		0
10. Deduct current year's other than temporary impairment recognized		0
11. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5+6-7-8+9-10)	0	0
12. Deduct total nonadmitted amounts	0	0
13. Statement value at end of current period (Line 11 minus Line 12)	0	0

SCHEDULE D – VERIFICATION

Bonds and Stocks

	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value of bonds and stocks, December 31 of prior year	1,053,637	1,045,341
2. Cost of bonds and stocks acquired		0
3. Accrual of discount	4,114	8,296
4. Unrealized valuation increase (decrease)	24,428	0
5. Total gain (loss) on disposals		0
6. Deduct consideration for bonds and stocks disposed of		0
7. Deduct amortization of premium		0
8. Total foreign exchange change in book/adjusted carrying value		0
9. Deduct current year's other than temporary impairment recognized		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9)	1,082,179	1,053,637
11. Deduct total nonadmitted amounts	24,428	0
12. Statement value at end of current period (Line 10 minus Line 11)	1,057,751	1,053,637

STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

SCHEDULE D - PART 1B

Showing the Acquisitions, Dispositions and Non-Trading Activity  
During the Current Quarter for all Bonds and Preferred Stock by Rating Class

	1 Book/Adjusted Carrying Value Beginning of Current Quarter	2 Acquisitions During Current Quarter	3 Dispositions During Current Quarter	4 Non-Trading Activity During Current Quarter	5 Book/Adjusted Carrying Value End of First Quarter	6 Book/Adjusted Carrying Value End of Second Quarter	7 Book/Adjusted Carrying Value End of Third Quarter	8 Book/Adjusted Carrying Value December 31 Prior Year
<b>BONDS</b>								
1. Class 1 (a).....	1,055,683	102,366		2,069	1,055,683	1,160,118	.0	1,134,533
2. Class 2 (a).....	.0				.0	.0	.0	.0
3. Class 3 (a).....	.0				.0	.0	.0	.0
4. Class 4 (a).....	.0				.0	.0	.0	.0
5. Class 5 (a).....	.0				.0	.0	.0	.0
6. Class 6 (a).....	0				0	0	0	0
7. Total Bonds	1,055,683	102,366	0	2,069	1,055,683	1,160,118	0	1,134,533
<b>PREFERRED STOCK</b>								
8. Class 1 .....	.0				.0	.0	.0	.0
9. Class 2 .....	.0				.0	.0	.0	.0
10. Class 3 .....	.0				.0	.0	.0	.0
11. Class 4 .....	.0				.0	.0	.0	.0
12. Class 5 .....	.0				.0	.0	.0	.0
13. Class 6 .....	0				0	0	0	0
14. Total Preferred Stock	0	0	0	0	0	0	0	0
15. Total Bonds & Preferred Stock	1,055,683	102,366	0	2,069	1,055,683	1,160,118	0	1,134,533

(a) Book/Adjusted Carrying Value column for the end of the current reporting period includes the following amount of non-rated short-term and cash equivalent bonds by NAIC designation: NAIC 1 \$.....102,366 ; NAIC 2 \$.....; NAIC 3 \$.....; NAIC 4 \$.....; NAIC 5 \$.....; NAIC 6 \$.....



STATEMENT AS OF JUNE 30, 2009 OF THE  
Fidelis SecureCare of Michigan Inc.

SCHEDULE DA - PART 1

Short-Term Investments					
	1	2	3	4	5
	Book/Adjusted Carrying Value	Par Value	Actual Cost	Interest Collected Year To Date	Paid for Accrued Interest Year To Date
9199999	102,366	XXX	102,366	73	73

SCHEDULE DA - VERIFICATION

Short-Term Investments		
	1	2
	Year To Date	Prior Year Ended December 31
1. Book/adjusted carrying value, December 31 of prior year.....	80,896	36,922
2. Cost of short-term investments acquired .....	21,470	43,974
3. Accrual of discount.....		0
4. Unrealized valuation increase (decrease).....		0
5. Total gain (loss) on disposals.....		0
6. Deduct consideration received on disposals.....		0
7. Deduct amortization of premium.....		0
8. Total foreign exchange change in book/adjusted carrying value.....		0
9. Deduct current year's other than temporary impairment recognized.....		0
10. Book/adjusted carrying value at end of current period (Lines 1+2+3+4+5-6-7+8-9).....	102,366	80,896
11. Deduct total nonadmitted amounts.....		0
12. Statement value at end of current period (Line 10 minus Line 11)	102,366	80,896

Schedule DB - Part F - Section 1

NONE

Schedule DB - Part F - Section 2

NONE

Schedule E Verification

NONE

Schedule A - Part 2

NONE

Schedule A - Part 3

NONE

Schedule B - Part 2

NONE

Schedule B - Part 3

NONE

Schedule BA - Part 2

NONE

Schedule BA - Part 3

NONE

Schedule D - Part 3

NONE

Schedule D - Part 4

NONE

Schedule DB - Part A - Section 1

NONE

Schedule DB - Part B - Section 1

NONE

Schedule DB - Part C - Section 1

NONE

Schedule DB - Part D - Section 1

NONE

## SCHEDULE E - PART 1 - CASH

[illegible]

Schedule E - Part 2 - Cash Equivalents  
**NONE**